Saudi Arabia’s measures to fight money laundering and the financing of terrorism and proliferation

Mutual Evaluation of the Kingdom of Saudi Arabia - 2018

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Paris, 24 September 2018 – **The Kingdom of Saudi Arabia is achieving good results in fighting terrorist financing, but needs to focus more on pursuing larger scale money launderers and confiscating their assets.**

The FATF and the Middle East and North Africa Financial Action Task Force (MENAFATF) jointly conducted an assessment of Saudi Arabia’s anti-money laundering and counter-terrorist financing

(AML/CFT) system. The assessment is a comprehensive review of the effectiveness of a country's AML/CFT system and its level of compliance with the FATF Recommendations.

Saudi Arabia recently made fundamental changes to its AML/CFT regime to bring its legal and institutional framework in line with up-to-date FATF Recommendations. Given the recent introduction of some of these measures, their effectiveness cannot yet be demonstrated.

Two separate national risk assessments have provided the country with a solid understanding of the money laundering (ML) and terrorist financing (TF) risks it faces. Financial institutions generally understand their ML/TF risks, and are applying preventive measures such as customer due diligence, record-keeping and verification of beneficial ownership. This is largely the result of an effective and proactive supervision of this sector. However, the lack of suspicious transaction reports, in particular on suspected cases of terrorist financing, is a concern. Money exchangers, real estate agents, accountants and other designated non-financial businesses and professions do not fully understand the ML/TF risks they are exposed to, with a correspondingly low level or number of suspicious transaction reports.

Saudi Arabia's financial intelligence unit is not able to conduct sophisticated financial analysis, although it does provide a wide variety of information that is available to and used by competent authorities. While money laundering investigations have increased in recent years, Saudi authorities are not investigating and prosecuting money laundering in a proactive fashion, particularly when it comes to complex money laundering schemes. They do not systematically pursue confiscation of proceeds.

Saudi Arabia faces a significant and dynamic risk of terrorist financing including the presence of cells of Al Qaeda, ISIS, affiliates and other groups, as well as a large number of foreign terrorist fighters. Saudi Arabia demonstrated an ability and willingness to pursue terrorist financing which resulted in over 1700 investigations and convictions since 2013, although these efforts were largely focused on domestic terrorist financing. Saudi Arabia has a sound mechanism to implement United Nations targeted financial sanctions on terrorism, but the measures to implement targeted financial sanctions for proliferation financing and prevent sanctions evasion are weak.

FATF adopted this report at its Plenary meeting in June 2018.

Fonte: FATF, 24.09.2018